

# Monthly Bulletin

California Department of Business Oversight



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**Volume 3, Number 5**

**December 2015**

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## **Aaron Prosperi Appointed Northern California Regional Deputy in DBO Banking Division**

Aaron Prosperi has been named as the Regional Deputy Commissioner in Northern California for the DBO Banking program. In his new role, Aaron is responsible for the overall administration and supervision of banking program licensees and examination staff in the San Francisco and Sacramento offices.

Aaron joined the DBO in 2000 as a financial institutions examiner in the Sacramento Regional Office and was promoted to the position of senior financial institutions examiner in 2004. In 2008, he was promoted to financial institutions supervisor and has served as an Assistant Deputy Commissioner since 2009. He graduated from California State University, Sacramento, with a Bachelor of Science degree in accounting and also holds a certificate with honors from the Graduate School of Banking at University of Colorado.



## **Money Transmitter Licenses to Be Managed Via Expanded Participation in NMLS**

Effective January 2016, the DBO will begin using the National Mortgage Licensing System (NMLS) to

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Sacramento, CA 95814-4052  
(916) 445-7205

One Sansome Street, Suite 600  
San Francisco, CA 94104-4428  
(415) 972-8565

320 West 4<sup>th</sup> Street, Suite 750  
Los Angeles, CA 90013-2344  
(213) 576-7500

1350 Front Street, Room 2034  
San Diego, CA 92101-3697  
(619) 525-4233

45 Fremont Street, Suite 1700  
San Francisco, CA 94105  
(415) 263-8500

300 S. Spring Street, Suite 15513  
Los Angeles, CA 90013  
(213) 897-2085

7575 Metropolitan Drive, Suite 108  
San Diego, CA 92108  
(619) 682-7227

Department of Business Oversight Consumer Services Office – 1(866) 275-2677

manage money transmitter licenses. NMLS is a secure, web-based, nationwide licensing system that allows companies to apply for, update and renew their licenses in one or more states conveniently and safely. Using NMLS will allow the DBO to improve its operations and better supervise the money transmitter industry by linking to a central database shared with other states.

NMLS began operations on January 2, 2008. Currently, 59 state agencies and six federal agencies use the system to accept and process license applications and registrations.

Starting Jan. 15, 2016, the DBO will allow all money transmitter licensees to have a complete record in NMLS and submit the record to the DBO for approval. Starting the same day, any company wishing to apply for a money transmitter license may do so through NMLS.

The DBO will issue a letter to licensees in December with detailed instructions on how to transition their company to NMLS.

More information can be found online at the [NMLS Resource Center](#).



## Money Transmitter Licensee Signage Change

AB 1517 amended Financial Code section 2105 (a).

Effective Jan. 1, 2016, the disclosure required to be posted at agent and branch locations for money transmitter licensees has changed to reflect a new toll free telephone number for contacting the Department of Business Oversight. The full text is excerpted below:

2105(a) - Each licensee or agent shall prominently post on the premises of each branch office that conducts money transmission a notice stating that:

"If you have complaints with respect to any aspect of the money transmission activities conducted at this location, you may contact the California Department of Business Oversight at its toll-free telephone number, 1-866-275-2677, by email at [consumer.services@dbo.ca.gov](mailto:consumer.services@dbo.ca.gov), or by mail at the Department of Business Oversight, Consumer Services, 1515 K Street, Suite 200, Sacramento, CA 95814."



## New CFLL and CRMLA Regulations

The Commissioner has adopted final regulations under the California Finance Lenders Law (CFLL) and the California Residential Mortgage Lending Act (CRMLA). These regulations provide that certain nondepository lenders, brokers and servicers who are subsidiaries and affiliates of depository institutions are not exempt from licensure when engaged in the business of making, brokering or servicing consumer loans.

Lenders, brokers and servicers affected by the new rules are encouraged to begin the licensing process immediately to ensure they are appropriately licensed when the rules become operative on Sept. 28, 2016.

A copy of the approved regulations can be found [here](#).



## Highlights of 2015 State Chaptered Legislation

[Highlights of 2015 State Chaptered Legislation](#) is now available on the DBO website. This summary is a compendium of most, but not all, legislation enacted this year that may affect or be of interest to DBO licensees. There is a brief description of each bill and a

link to the text of the chaptered legislation.

We hope you find the *Highlights of 2015 State Chaptered Legislation* a useful tool. We encourage any suggestions you may have to improve its usefulness to you and your organization.



## 2016 Annual License Fee for Broker Dealers Due December 18

Broker dealer renewal fees for calendar year 2016 are due by Dec. 18 and should be paid directly to the Central Registration Depository (CRD) in accordance with its instructions and procedures. The renewal fees include a \$75 fee for the firm and \$25 for each registered agent. Payment of these fees will keep broker dealer registrations in effect for

2016. The total amount due, including any system maintenance fees charged by CRD, can be found in the Preliminary Renewal Statement which became available Nov. 16. These statements may be accessed by logging onto Web CRD accounts and clicking on the Renewal Statement link under the Accounting section on the Site Map. FINRA does not mail the renewal statement to firms. For any questions concerning the total amount due or how to access your Preliminary Renewal Statement contact the CRD call center at (240) 386-4848 or visit their [website](#).

Full payment of Preliminary Renewal Statements should be posted to a firm's Renewal Account by Dec. 18, even if a firm intends to terminate additional registered representatives before Dec. 31. Firms are encouraged to submit payments no later than Dec. 15 in order for payment to post to Renewal Accounts by the Dec. 18 deadline. Absent payment of the total amount due, a firm's registration and agent registrations will be terminated effective Dec. 31.

More information on the broker dealer 2016 renewal program, including renewal calendar, payment methods and addresses, may be found on the CRD web site at <http://www.finra.org/industry/renewal>.



## **2016 Annual License Fee for Investment Advisers and Exempt Reporting Advisers Due Dec. 18**

Renewal fees for calendar year 2016 for investment advisers will be due by Dec. 18, 2015 and should be paid directly to the Investment Adviser Registration Depository (IARD) in accordance with its instructions and procedures. The renewal fees include a \$125 fee for the firm and \$25 for each registered agent. Payment of these fees will keep investment adviser registrations in effect for 2016. The total amount due, including any system maintenance fees charged by IARD, can be found in the Preliminary Renewal Statement which became available Nov. 16. These statements may be accessed by logging onto Web CRD/IARD accounts and clicking on the Renewal Statement link under the Accounting section on the Site Map. FINRA does not mail the renewal statement to firms. Questions concerning the total

amount due or how to access Preliminary Renewal Statements should be directed to the CRD/IARD call center at (240) 386-4848 or the [FINRA website](#).

Full payment of Preliminary Renewal Statements should be posted to a firm's Renewal Account by Dec. 18, even if a firm intends to terminate additional investment adviser representatives before Dec. 31. Firms are encouraged to submit payments no later than Dec. 15 in order for payment to post to Renewal Accounts by the Dec. 18 deadline. Absent payment of the total amount due, a firm's registration, and investment adviser or agent registrations, will be terminated effective Dec. 31.

More information on the investment adviser 2016 renewal program, including renewal calendar, payment methods and addresses, may be found on the [CRD/IARD website](#).



## Premium Finance Company Assessment

The Commissioner has assessed all California insurance premium finance companies in order to fund the DBO's administration of laws governing such companies. The Commissioner makes the assessments pursuant to California Financial Code sections [18350](#), [18351](#) and [18352](#).

An invoice for the assessment on each institution will be sent to each licensee. The assessment must be paid in full by Dec. 20.

The base assessment rate is set at 0.0068903 percent of each company's total assets as of Dec. 31, 2013. The amount of the assessment on each company is calculated in accordance with Financial Code sections 18350 and 18351. The minimum amount for any institution is \$250.

Premium finance companies wishing to pay by check should mail their payments to:

Department of Business Oversight  
Attn: Accounting Section  
1515 K Street, 2nd Floor  
Sacramento, CA 95814-4052

Premium finance companies wishing to pay by EFT should route their payments in the form of an ACH (CCD or CTX payment format) to the routing and account numbers below. Please include the invoice number with each EFT payment.

UPIC Account Number: 10440639

Routing Number: 021052053

Questions about assessments should be directed to Zankhana Mehta in the DBO Accounting Section at (916) 445-2284 or [Zankhana.Mehta@dbo.ca.gov](mailto:Zankhana.Mehta@dbo.ca.gov).

Questions also may be directed to DBO Strategic Support Manager Patrick Carroll at (415) 263-8559 or [Patrick.Carroll@dbo.ca.gov](mailto:Patrick.Carroll@dbo.ca.gov).



## **Banks Must Submit Lists of Offices by Dec. 31**

Pursuant to Financial Code section 1077, all commercial banks, industrial banks and trust companies are required to file with the DBO a list of all offices they currently maintain and operate.

The report must specify the type of each office listed (branch or facility, head office, but not ATMs) and its complete address. Please note: This requirement does not apply to other Division of Financial Institutions licensees, e.g., credit unions and money transmitters.

Banks should submit the information to the DBO on or before Dec. 31.

Responses may be submitted by email to [Licensing@dbo.ca.gov](mailto:Licensing@dbo.ca.gov) or by postal mail to:

Department of Business Oversight  
Division of Financial Institutions  
Attn: Strategic Support Section  
45 Fremont Street, Suite 1700  
San Francisco, CA 94105-2219

For questions, please contact Patrick Carroll at [Patrick.Carroll@dbo.ca.gov](mailto:Patrick.Carroll@dbo.ca.gov) or call (415) 263-8559.





## Cumulative Water Savings Meet Conservation Mandate

Californians have reduced water use by 27.1 percent in the five months since emergency conservation regulations took effect in June, continuing to meet the Governor's 25 percent mandate despite a decline in the statewide water-savings rate for October.

In October, the statewide conservation rate for urban water users was 22.2 percent compared to the same month in 2013. That was down from 26.4 percent in September. Still, average statewide water use declined from 97 gallons per person per day in September to 87 in October.



In addition to local programs, state-funded turf removal and toilet replacement rebates are now available. Information and rebate applications are available at: [www.saveourwaterrebates.com/](http://www.saveourwaterrebates.com/).

For more information on the drought and conservation programs, go to [www.ca.gov/drought/](http://www.ca.gov/drought/).

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## **Commercial Bank Activity**

### **New Bank**

Core Commercial Bank  
4490 Von Karman Avenue, Newport Beach, Orange County  
Correspondent: James B. Jones  
Carpenter & Company  
5 Park Plaza, Suite 950, Irvine, CA 92614  
949-281-8888  
Approved: 11/18/15

PREMIER VALLEY BANK  
255 East River Park Circle, Fresno, Fresno County  
Correspondent: David L. Horstmann  
Heartland Financial USA, Inc.  
P.O. Box 778, Dubuque, IA 52004  
Opened: 11/30/15  
(In connection with the acquisition of Premier Valley Bank, Fresno by Heartland Financial USA, Inc., Dubuque, Iowa)

**Merger**

County Commerce Bank, Ventura, with and into Citizens Business Bank, Ontario  
Filed: 11/13/15

First Mountain Bank, Big Bear Lake, to merge with and into Premier Business Bank,  
Los Angeles  
Approved: 11/3/15

National Bank of California, Los Angeles, to merge with and into Commercial  
Bank of California, Irvine  
Filed: 10/19/15

Premier Valley Bank, Fresno, to merge with and into PV Acquisition Bank, with  
change of name to Premier Valley Bank  
Effectuated: 11/30/15  
(In connection with the acquisition of Premier Valley Bank, Fresno by Heartland  
Financial USA, Inc., Dubuque, Iowa)

Security Bank of California, Riverside, to merge with and into Pacific Premier  
Bank, Irvine  
Filed: 10/19/15

Sutter Community Bank, Yuba City, to merge with and into Suncrest Bank, Visalia  
Approved: 11/3/15

United International Bank, Flushing, New York, to merge with and into Preferred  
Bank, Los Angeles, California  
Effectuated: 11/20/15

**Acquisition of Control**

CMUV Bancorp, to acquire control of Community Valley Bank  
Filed: 11/2/15  
Approved: 11/12/15

Community 1<sup>st</sup> Bancorp, to acquire control of Community 1<sup>st</sup> Bank  
Approved: 11/3/15

Heartland Financial USA, Inc. to acquire control of PV Acquisition Bank (In  
Organization)  
Effectuated: 11/30/15  
(In connection with the acquisition of Premier Valley Bank, Fresno by Heartland  
Financial USA, Inc., Dubuque, Iowa)



**Acquisition of Control (cont.)**

KEDAP S.A. de C.V., to acquire control of Commerce Bank of Temecula Valley  
Filed: 11/5/15

Sang Young Lee, Chun Young Lee and Lee's Gold and Diamond Import, Inc., to  
acquire control of Pacific City Bank  
Approved: 11/3/15

**Conversion to State-Chartered Bank**

United Business Bank, FSB, to convert to a state-chartered bank under the name  
of United Business Bank  
Filed: 11/1/15

**Conversion to State-Chartered Mutual Savings Association**

Monterey Credit Union, to convert to a state-chartered mutual savings  
association under the name Community Savings Bank of Monterey  
Withdrawn: 11/19/15

**Money Transmitter Activity****New Transmitter**

Stripe Payments Company  
Filed: 11/30/15

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**JAN LYNN OWEN**

Commissioner of Business Oversight

